



## Legislation Text

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**File #:** 0550-2024, **Version:** 1

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### **BACKGROUND**

This ordinance enacts a new section of the Columbus City Codes, Chapter 1163 to establish net metering service, which will enable Division of Power customers to connect distributed generation that uses advanced energy resources to the Division of Power's distribution system. Section 1163.24, "Net Metering," sets conditions of service for net metering customers and sets out how monthly energy charges will be determined.

In its Climate Action Plan, the City of Columbus set a goal to be carbon neutral by 2050. One way to decrease greenhouse gas emissions is to allow electric power customers to generate their own clean energy from renewable sources such as solar photovoltaic panels. Increasing both residential and commercial on-site solar energy generation are identified as critical actions in the Climate Action Plan to achieve carbon neutrality.

Net metering allows customers to connect to a utility distribution system and get credit for the electricity that they generate. It provides an accounting mechanism to measure the difference between the amount of electric energy that the utility sends to a customer and the amount of electric energy that the customer sends to the utility. The benefits of net metering include making solar energy more financially viable for customers, reducing the demand on the electric grid and power plants, and increasing energy security and resilience by acquiring and using energy from multiple sources.

All Division of Power customers will be eligible for net metering if they generate electric energy through advanced energy resources, such as solar or wind power. The customer's energy charge from the Division of Power will be offset by the energy the customer supplies to the distribution grid. All other charges and fees will still apply. The net metering rate will be determined according to the applicable rate class as provided in Chapter 1163 of the Columbus City Codes.

**FISCAL IMPACT:** There is no direct fiscal impact from this legislation.

To enact Section 1163.24 of the Columbus City Codes, to establish net metering service for Division of Power customers to connect distributed generation that uses advanced energy resources to the Division's distribution system; to set conditions of service for net metering customers; and to determine how monthly energy charges will be measured.

**WHEREAS**, the City of Columbus Department of Public Utilities is committed to taking steps to mitigate and adapt to our community's changing climate; and

**WHEREAS**, it is the goal of City of Columbus to be carbon neutral by 2050; and

**WHEREAS**, the generation and use of renewable energy from advanced energy resources, such as fuel cells, waste-to-energy generation, low-impact hydropower, wind power, biomass, landfill gas, solar photovoltaic, and solar thermal resources, will help to achieve this goal; and

**WHEREAS**, distributed energy resources reduce demand on the Division of Power's distribution grid and increase resilience by using energy from multiple sources; and

**WHEREAS**, it is necessary for Director of Department of Public Utilities to establish net metering service to allow the Division of Power's customers to benefit from the ability to produce advanced energy resources and connect that

distributed generation to the Division of Power distribution system and the ability to obtain credit for the energy produced; and

**WHEREAS**, the Division of Power has authority under Section 1163.02 of the Columbus City Codes to determine the applicable rate schedule and permitted use for each metered service for electric energy; and

**WHEREAS**, it is necessary and appropriate and in the best interest of the City to enact Section 1163.24 of the Columbus City Codes to establish net metering service for Division of Power customers to connect distributed generation that uses advanced energy resources to the Division of Power's distribution system; to set conditions of service for net metering customers; and to determine how monthly energy charges will be measured; **NOW, THEREFORE**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** City Council finds that the Division of Power establishing net metering is in the best interest of the City.

**SECTION 2.** City Council finds that the requested method to determine rate schedules is equitable.

**SECTION 3.** That Section 1163.24 of the Columbus City Codes is hereby enacted to read as follows:

**1163.24 NET METERING.**

(a) Availability of Service. Net metering shall be available to all Division of Power customers who:

- (1) Purchase their electric energy and service from the Division of Power under the applicable rate class set forth in Sections 1163.04 through 1163.077; and
- (2) Host distributed generation that uses advanced energy resources as defined in Section 1163.24(b).

(b) Definitions. As used in this section:

- (1) "Advanced Energy Resources" means generation produced by fuel cells, waste-to energy generation, low-impact hydropower, wind power, biomass, landfill gas, solar photovoltaic, and solar thermal resources.
- (2) "Distributed Generation" is electrical generation located on the customer's premises that:
  - A. Is primarily intended to offset part or all of the customer's own electrical requirements on the premises;
  - B. Is interconnected with the Division of Power's electric system in compliance with the terms of division (c) of this section; and
  - C. Operates in parallel with the Division's distribution system.
- (3) "Net energy" is the difference, positive or negative, between the amount of electricity supplied by the Division of Power to the customer through the Division's electric distribution system and the amount of electricity generated by the customer's distributed generation which is fed back into the Division's electric distribution system.
- (4) "Net metering" is a method of measuring the difference, positive or negative, between the kilowatt hours of electricity supplied by the Division of Power to the customer through the Division's electric distribution system and the kilowatt hours of electricity generated by the customer's distributed generation which is fed back into the Division's electric distribution system.

(c) Conditions of Service. The following requirements apply to net metering:

- (1) Interconnection. No customer shall connect distributed generation to the Division of Power's distribution

system except upon the Division's approval of a written application in a form prescribed by the Division. The customer shall be responsible for the permitting, design, installation, operation, and maintenance of the distributed generation; the costs of any necessary modification of the Division's facilities; payment of the Division's cost to review the application and perform any necessary studies; and any additional terms or conditions included in the application or in the Division's approval of the application.

(2) The City shall not be liable directly or indirectly for permitting or allowing the connection of the customer's distributed generation to the Division of Power's distribution system or for the acts or omissions of the customer's distributed generation that cause property damage, loss, injury, or death to any person.

(3) Metering.

A. Metering shall be accomplished using a single meter capable of registering the flow of electricity in each direction.

B. The Division of Power shall install and test revenue quality metering equipment, if needed.

C. The Division of Power shall own, operate, test, and maintain such metering equipment and shall bear the costs associated with the purchase, installation, operation, testing, and maintenance of the metering equipment.

(d) Billing and Charges.

(1) Monthly energy charges. Monthly energy charges shall be determined according to the applicable rate class as provided for in Chapter 1163 and associated rules and regulations.

(A) If a customer's net energy is positive during a billing month, the energy charge of the customer's applicable rate class shall be calculated using the customer's net energy for the billing month. All other charges shall be applicable and charged as set forth in the Division of Power's rate schedule and calculated in accordance therewith.

(B) If a customer's net energy is negative during a billing month, only the energy charge of the customer's rate class shall be offset using the customer's net energy supplied to the Division of Power's system. All other charges shall be applicable and charged as set forth in the Division of Power's rate schedule and calculated in accordance therewith. If the customer's net energy under its rate schedule is negative during the billing month, the negative net energy shall be allowed to accumulate as a credit to offset energy charges the customer incurs in future billing months.

(2) Additional Charges. The customer shall pay any additional charges applicable to the customer's rate class, including but not limited to, maximum demand charge based on energy delivered to the customer, and any charges for equipment, labor, metering, testing or inspections requested by the customer.

(e) Director of the Department of Public Utilities' Authority. The Director of the Department of Public Utilities shall have the authority to promulgate rules and regulations to facilitate net metering and the interconnection of distributed generation of advanced energy resources, including community solar, within the Division of Power's customer base.

**SECTION 4.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.